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RUEHUJA/AMEMBASSY ABUJA 2272
RUEHAR/AMEMBASSY ACCRA 2793
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UNCLAS SECTION 01 OF 03 HARARE 000342

AF/S FOR B. WALCH
ADDIS ABABA FOR USAU
ADDIS ABABA FOR ACSS
NSC FOR SENIOR AFRICA DIRECTOR
STATE PASS TO USAID FOR L.DOBINS AND J. HARMON
COMMERCE FOR ROBERT TELCHIN

SIPDIS

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SUBJECT: ZIM NOTES 04-17-2009

¶1. SUMMARY

Topics of the week:

- Stalemate Continues...
- Biti Demands Investigation of Gono, Travels to U.S...
- Ministerial Visit Fails to Quell Disruptions at Farms...
- Constitutional Committee Still Lacks a Chair...
- Political Detainees Rearrested...
- Kunonga vs. Bakare - The Battles Against the Anglican Church Continue...
- While Anglican Priests Face Charges...
- Media Groups Slam Proposed Media Conference...
- Germany Lifts Travel Warning...
- Gono Admits to Raiding Bank Accounts...
- Old Mutual to Pay Pensions in Foreign Exchange...
- Credit Crunch May Force Government to Sell Parastatals...
- Zimbabwe's Passport Fees Reduced...
- Activity Picks Up On the Zimbabwe Stock Exchange (ZSE)...

On the Political/Social Front

¶2. Stalemate Continues... The GOZ's executive committee, consisting of President Robert Mugabe and his two vice-presidents and Prime Minister Morgan Tsvangirai and his two deputy prime ministers met on Thursday for the second time this week to resolve outstanding issues. The principals will brief their parties this weekend and resume discussions on Monday.

¶3. Biti Demands Investigation of Gono, Travels to U.S... Minister of Finance Tendai Biti reportedly demanded that Cabinet investigate Reserve Bank of Zimbabwe Governor Gideon Gono over the RBZ's US\$1.2 billion debt. Biti has been seeking, without success, Gono's removal as governor. Biti is in Washington, DC for Spring IMF/World Bank meetings this weekend, and for meetings with U.S. officials.

14. Ministerial Visit Fails to Quell Disruptions at Farms...

Violent incidents continued to occur at several disputed Chegutu-area farms following visits by Deputy Prime Minister Arthur Mutambara and other high-ranking government ministers on April 17. Police shot two employees of the Stockdale Farm, which is being contested by Senate President Edna Madzongwe and the owner, Peter Etheredge. The two were rushed to a Harare hospital; one lost part of his leg. Last week Madzongwe's supporters beat to death an area resident attempting to steal fruit from a tree. At a different farm an employee was thrown into a fire, but survived. At four other Chegutu farms, a mix of war veterans and youth broke locks to gain entry, destroyed personal property, and barred access to farm employers and employees. During his visit, Mutambara had strongly criticized the invaders and ordered them to leave and allow the courts to determine ownership. See Harare 333.

15. Constitutional Committee Still Lacks a Chair... The three political leaders (Mugabe, Tsvangirai and Mutambara) have still not determined who should lead the Select Constitutional Committee responsible for directing the process to a new constitution. The dispute is over whether it should be led by a parliamentarian or an independent individual. In the interim, the committee will be co-chaired by two MPs: Douglas Mwonzora of the MDC-T and Munyaradzi Mangwana of ZANU-PF. Attempting to defuse civil society's opposition to the drafting process, Prime Minister Tsvangirai met with the head of the National Constitutional Assembly, Lovemore Madhuku, on April 22. According to independent press reports, the two men failed to reconcile differences.

HARARE 00000342 002 OF 003

16. Political Detainees Rearrested... After being released on bail on April 17 and while being treated for injuries at the Avenues Clinic in Harare, two of the last three identified MDC political detainees were once again placed under armed guard at the clinic. According to the detainee's lawyer, the guards said that Gandhi Mudzingwa and Chris Dhlamini would remain in police custody. A manhunt has begun for freelance photographer Andrison Manyere who left the hospital after bail was granted. The State belatedly appealed bail, allowing the police to resume guarding Mudzingwa and Dhlamini. An additional seven unidentified abductees remain unaccounted for. See Harare 332.

17. Kunonga vs. Bakare - The Battles Against the Anglican Church Continue... While poloff was meeting with a group of Anglican priests on April 21, one received a call that his church in Avondale, Harare was being cleaned out by supporters of ZANU-PF stalwart, excommunicated former Bishop Kunonga. At the church, about 30 Kunonga supporters and suspected ZANU-PF youths were outside the building piling up office furniture, files, and even little red and blue chairs from the church preschool. While claiming to have a court order supporting the eviction, the Kunonga-affiliated rector could not produce it. Police refused to stop the Kunonga group. The first item the Kunonga supporters moved in was a large photo of Robert Mugabe. This comes less than two weeks after the co-ministers of Home Affairs directed the two factions to share church property.

18. While Anglican Priests Face Charges... After being arrested on March 29 while attempting to hold church services in the Harare suburb of Glen Norah, six defendants (a priest, a student priest, a church youth leader, a church warden, and two parishioners) loyal to Bakare appeared in court on April 20 to face charges of disturbing the peace and inciting violence. When the police witnesses for the prosecution did not show up, the case was remanded (for a second time) to April 23. The State presented their case on April 23 and the hearing was adjourned after several hours until April 27 when the church will present its case and the priests will testify.

19. Media Groups Slam Proposed Media Conference... Civil society groups Zimbabwe National Editors Forum, Media Monitoring Project Zimbabwe, MISA Zimbabwe, and the Africa Community Publishing Development Trust have described the proposed government-sponsored media conference agenda as "fatally compromised and anathema to

media freedom and the principles of the Global Political Agreement."

The media conference whose theme is "Towards an Open, Tolerant and Responsible Media Environment" is scheduled for May 6 to 8 in Nyanga, Manicaland. The groups contend that most of the proposed facilitators and presenters are "hostile to media freedom and the free flow of information within Zimbabwe."

¶10. Germany Lifts Travel Warning... On April 21, Germany announced it was lifting its travel warnings to Zimbabwe. This follows recent announcements by both the U.S. and Japan to remove travel advisories.

On the Economic and Business Front

¶11. Gono Admits to Raiding Bank Accounts... Reserve Bank Governor Gideon Gono admitted on April 20 that he took hard currency from the bank accounts of private businesses and foreign aid groups without permission, but with government authorization, saying he was trying to keep his country's cash-strapped ministries running. Gono also published in the Herald a detailed accounting of all the cars his ministry purchased and to which ministries they were sent. Gono is trying to make the case that all his actions were sanctioned by the government to assist the government.

¶12. Old Mutual to Pay Pensions in Foreign Exchange... Old Mutual
HARARE 00000342 003 OF 003

advised pensioners that it will pay pensions in foreign currency in June. Old Mutual had suspended pension payments in January 2009, citing lack of liquidity arising from the suspension of trading on the Zimbabwe Stock Exchange. It is not yet clear how much pensioners will receive given the current market liquidity constraints.

¶13. Credit Crunch May Force Government to Sell Parastatals... The Herald on April 22 reported on its website that Zimbabwe is considering selling some state-owned enterprises in order to raise money to fund the economic recovery process. The notice goes on to state that the Finance Minister and the Minister of State Enterprises will table this proposal at a Cabinet meeting the week of April 26.

¶14. Zimbabwe's Passport Fees Reduced... Following a public outcry over exorbitant fees, the Home Affairs ministry instructed the Registrar-General to reduce passport fees from US\$670 to US\$170 for a standard passport, US\$310 for a 24-hour passport and US\$385 for an express passport. According to the co-ministers of Home Affairs, the new fees will continue to be reviewed downwards, as they remain higher than those of neighboring countries.

¶15. Activity Picks Up On the Zimbabwe Stock Exchange (ZSE)... After months of very low trading on the local bourse, activity picked up strongly during the past eight days with most stocks recording significant gains. According to Emmanuel Munyukwi, the CEO of the ZSE, this rise has been underpinned by the restoration of foreign trading of dual-listed companies.

Quote of the Week

¶16. "They will not vote against Zimbabwe at the WB, IMF, and IFC. They will behave well." -- Deputy Prime Minister Arthur Mutambara after meeting with British Ambassador Andrew Pocock on April 23.

MCGEE